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INVESTOR PRESENTATION
AUGUST/SEPTEMBER 2016



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NAOS – An Introduction

NAOS PROVIDES INVESTORS GENUINE EXPOSURE TO EMERGING COMPANIES (EX-ASX100)
WHERE WE HAVE A CLEAR COMPETITIVE ADVANTAGE TO OUTPERFORM AND DELIVER
VALUE OVER THE LONG TERM

- EMERGING COMPANIES ARE OFTEN NOT THE CORE COMPETENCY OF MANY INVESTORS
- WE MANAGE TWO LISTED INVESTMENT COMPANIES BEING ASX: NCC AND ASX: NAC
- \$110 MILLION IN ASSETS UNDER MANAGEMENT
- 8 FULL TIME EMPLOYEES
- INDEPENDENTLY OWNED BY EMPLOYEES AND PRIVATE INVESTORS

NAOS Investment Philosophy

NAOS BELIEVE THAT LONG TERM INVESTMENT OPPORTUNITIES ARISE DUE TO MARKET INEFFICIENCIES THAT OCCUR FOR THE FOLLOWING REASONS:

- 1) SHORT TERMISM OF MARKET PARTICIPANTS I.E. 12 MONTHS OR LESS
- 2) LUMPINESS OF A COMPANY'S PROFITABILITY AND CASH GENERATION PROFILE
- 3) BIAS TOWARDS PARTICULAR COMPANIES OF A LARGE SIZE OR IN PARTICULAR INDUSTRIES
- 4) LOW LIQUIDITY PERCEIVED TO BE ASSOCIATED WITH HIGH INVESTMENT RISK

- Pure, concentrated exposure to quality undervalued emerging companies.
- Focus on long term capital preservation.
- Investment selection based on long term investment credentials regardless of size or liquidity.

Key NCC Statistics as at 31 July 2016

- Gross Assets - \$61,000,000
- NTA - \$1.30
- Share Price - \$1.15
- Fully Franked Dividend Yield – 5.43% (7.75% Gross Yield)
- Number of Shareholders - 969

Key Market Statistics: CY16

- 1,500 Companies outside ASX-100
- 968 > \$5 Million Market Capitalisation
- 450 Revenue > \$0
- 389 Earnings Before Interest Tax > \$0
- **Average Market Capitalisation - \$65 Million.**

	1 Month	6 Months	1 Year	2 Years (p.a.)	3 Years (p.a.)	Inception (p.a.)	Inception (nom.)
NCC Investment Portfolio Performance*	+4.63%	+26.62%	+27.65%	+13.76%	+16.84%	+21.12%	+92.76%
S&P/ASX Small Ordinaries Accumulation Index (XSOAI)	+8.57%	+22.34%	+22.29%	+9.04%	+8.71%	+4.75%	+17.25%
Outperformance Relative to Benchmark	-3.94%	+4.28%	+5.36%	+4.72%	+8.13%	+16.37%	+75.51%

*Investment Portfolio Performance as at 31/07/2016 is post all operating expenses, before fees, taxes and initial IPO and placement commissions. Performance has not been grossed up for franking credits received by shareholders. Since inception (p.a. and nom.) includes part performance for the month of February 2013.

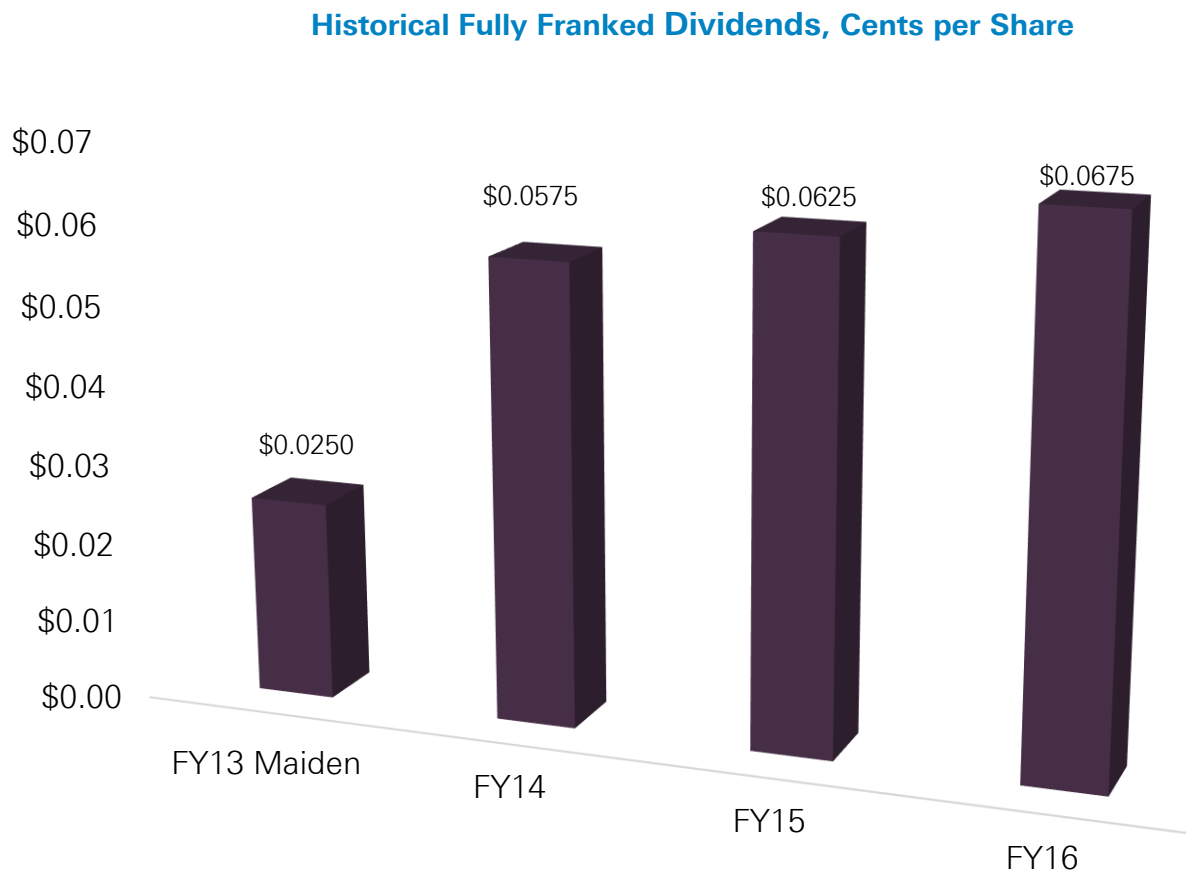
COMPETITIVE ADVANTAGE:
NAOS EMERGING OPPORTUNITIES COMPANY LIMITED (NCC)

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	NCC
Concentrated Portfolio Structure	✓
Consistent Fully Franked Dividend Stream	✓
Benchmark Unaware	✓
AUM Limit to Maximise Performance	✓
Can Hold +100% Cash	✓
Investment Benefits via Closed Structure	✓
No Minimum Investment	✓

DIVIDEND PROFILE: NAOS EMERGING OPPORTUNITIES COMPANY (NCC)

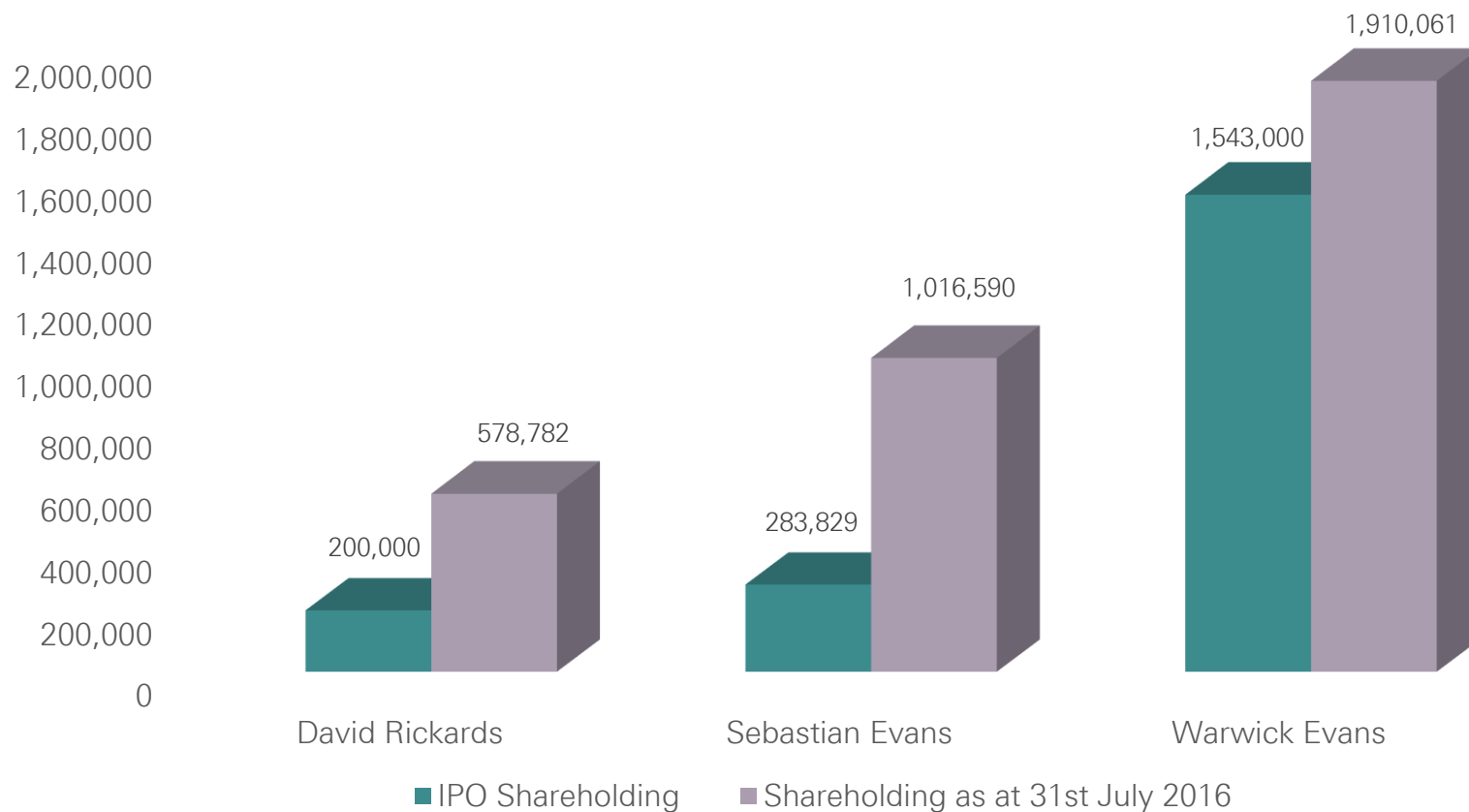
- Growing fully franked dividend profile over 4 years.
- 'Clean' capital structure; i.e. no listed or unlisted options on issue.
- On market purchase of shares below NTA to meet demand of DRP – no dilutive effect.
- Shareholder base has grown significantly to over 1000.



NCC: DIRECTORS INCREASING ALIGNMENT WITH SHAREHOLDERS SINCE IPO

AS AT 31ST JULY 2016

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- Quality undervalued mid-cap companies
- The ability to selectively short overvalued lower quality companies.
- Focus on minimising the risk of permanent capital loss.
- Produce uncorrelated returns to general market movements over the long term.

Key NAC Statistics as at 31st July 2016

- Gross Assets \$35,600,000
- NTA (Pre Tax) \$1.21
- NTA (Pre-Tax Assuming All Remaining NACO are Exercised) \$1.14
- Share Price \$1.055
- Fully Franked Dividend Yield 4.02% (5.74% Gross Yield)
- Number of shareholders ~500

Key Market Statistics: CY16

- 450 Companies > \$200 Million
- Average Return for 4%
- 60% have a positive return
- 40% have negative returns

	1 Month	3 Month	6 Month	1 Year	Inception (p.a.)	Inception (Nom.)
NAC Investment Portfolio Performance*	+3.81%	+8.26%	+18.64%	+34.70%	+25.44%	+47.56%
Benchmark (RBA Cash Rate + 250bps)	+0.39%	+1.17%	+2.39%	+4.81%	+4.93%	+8.61%
Relative Performance	+3.42%	+7.09%	+16.25%	+29.89%	+20.51%	+38.95%

* Investment Portfolio performance as at 31/07/2016 is post all operating expenses, before fees and taxes. Performance has not been grossed up for franking credits received by shareholders. Since inception (p.a. and nom.) includes part performance for the month of November 2014.

COMPETITIVE ADVANTAGE:
NAOS ABSOLUTE OPPORTUNITIES COMPANY LIMITED (NAC)

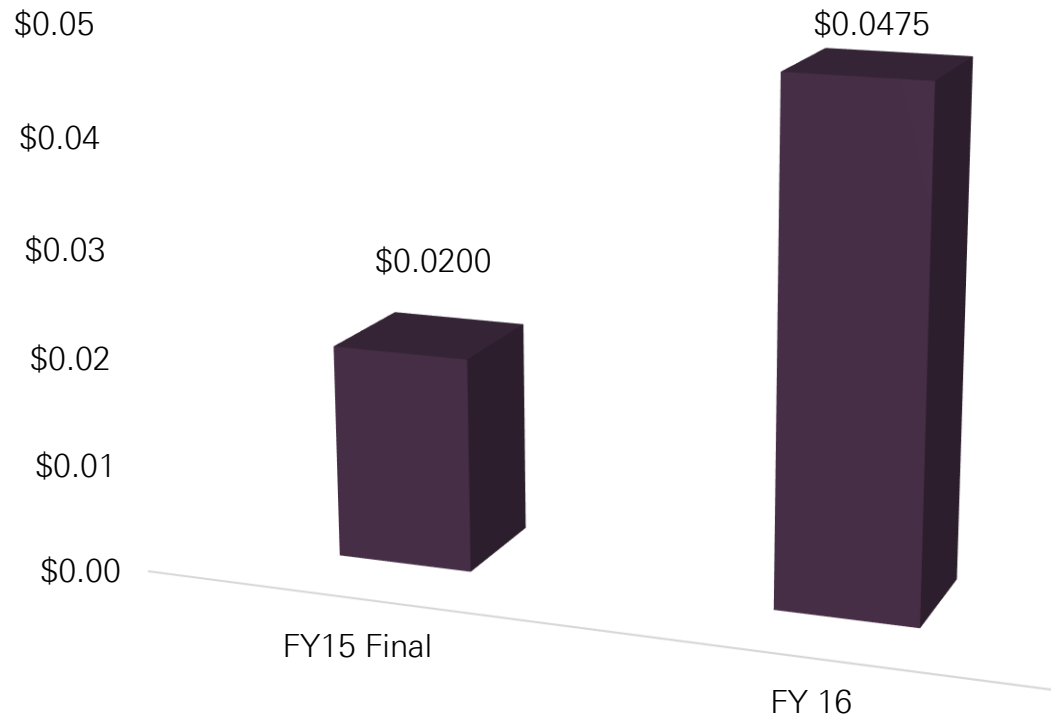
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	NAC
Absolute Return Focus	✓
Shorting Ability	✓
Focus on Domestic ASX Listed Mid Cap Opportunities	✓
Ability to Supplement Portfolio With Select Global Opportunities	✓
Fully Franked Dividend	✓
Benchmark Unaware	✓
Can Hold +100% Cash	✓
Closed Ended Fund Benefits	✓

DIVIDEND PROFILE: NAOS ABSOLUTE OPPORTUNITIES COMPANY (NAC)

Historical Fully Franked Dividends, Cents per Share

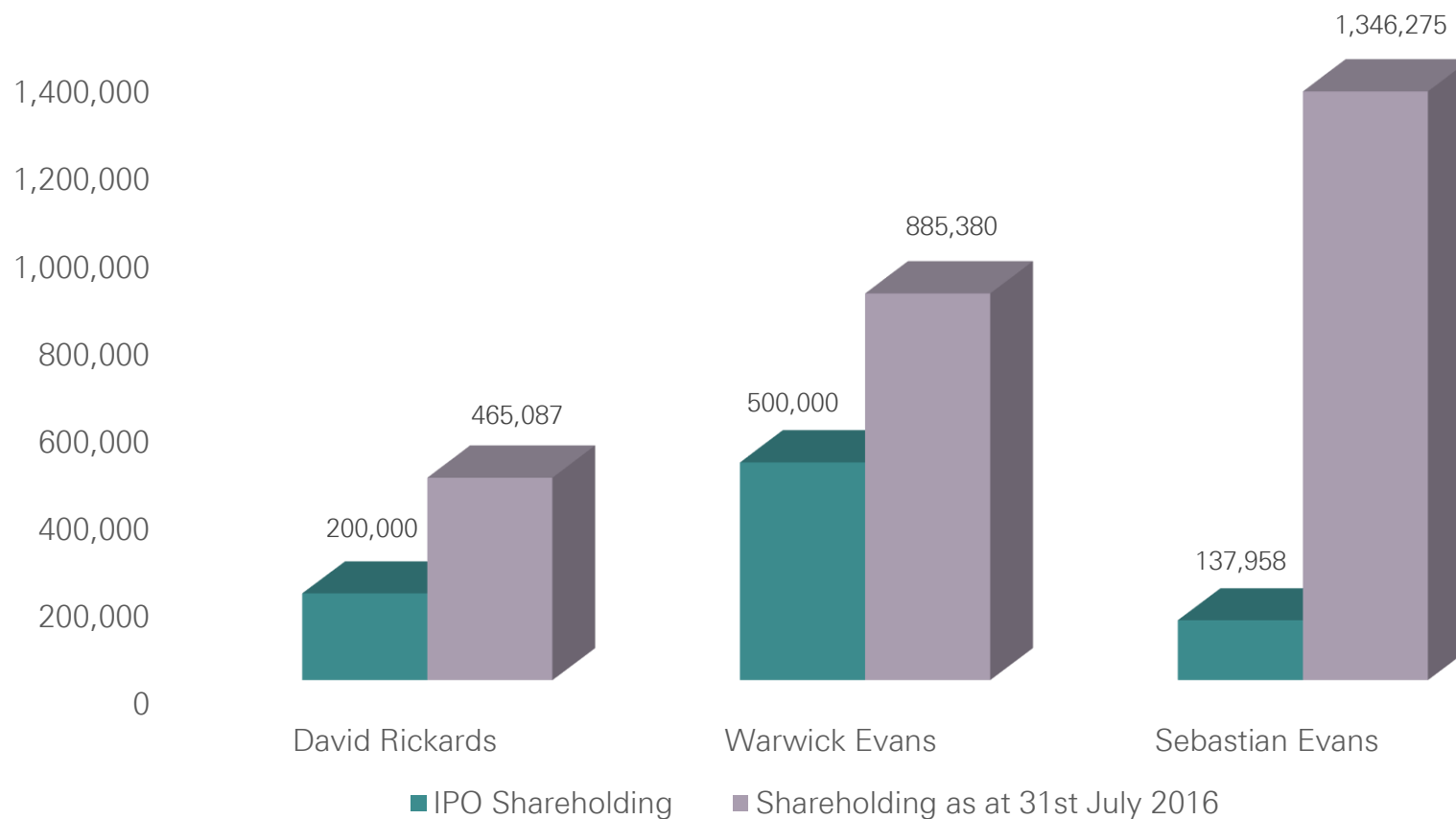
- Growing fully franked dividend profile
- On market purchase of shares to meet demand of DRP eliminating dilution.
- Shareholder base has grown significantly to ~500 shareholders.



NAC: DIRECTORS INCREASING ALIGNMENT WITH SHAREHOLDERS SINCE IPO

AS AT 31ST JULY 2016

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MARKET OUTLOOK: DOES A FLAT MARKET EQUATE TO TOO FEW OPPORTUNITIES?

Significant market dispersion exists even within a relatively flat overall market and also within well known and well researched companies.

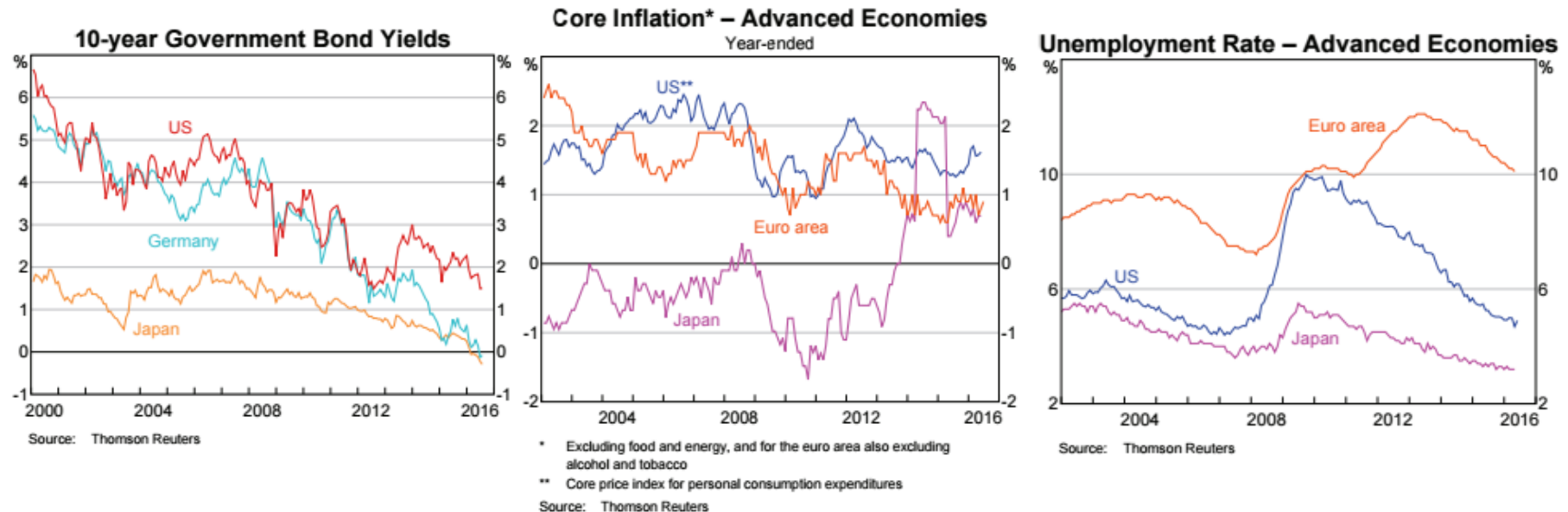
This ultimately means there are significant opportunities for fund managers to capture returns from both a long and short perspective.

	Ticker	Name	1yr Total Return*	Mkt Cap		Ticker	Name	1yr Total Return*	Mkt Cap
1	RAP	RESAPP HEALTH	1.79K%	204.50M	380	ASB	AUSTAL LTD	-41.08%	388.46M
2	GMM	GENERAL MINING	1.55K%	241.98M	381	BPT	BEACH ENERGY LTD	-41.56%	976.91M
3	GXY	GALAXY RESOURCES	1.42K%	592.38M	382	TZN	TERRAMIN AUSTRAL	-41.86%	224.50M
4	MOY	MILLENNIUM RESOURCES	1.00K%	215.66M	383	SHV	SELECT HARVESTS	-42.06%	515.54M
5	DCN	DACIAN GOLD LTD	770.35%	514.38M	384	DNA	DONACO INTERNATIONAL	-42.48%	369.89M
6	RSG	RESOLUTE MINING	660.00%	1.25B	385	ZIM	ZIMPLANTS HOLDINGS	-42.48%	-
7	SBM	ST BARBARA LTD	575.27%	1.61B	386	KAR	KAROON GAS	-43.42%	309.53M
8	BLK	BLACKHAM RESOURCES	546.43%	235.05M	387	VAH	VIRGIN AUSTRALIA	-44.89%	1.99B
9	RMS	RAMELIUS RESOURCES	400.00%	309.89M	388	BBG	BILLABONG INTERNATIONAL	-45.96%	303.06M
10	PLS	PILBARA MINERALS	390.91%	620.66M	389	TGA	THORN GROUP	-46.03%	206.65M
11	SAR	SARACEN MINING HOLDINGS	385.14%	1.49B	390	TEN	TEN NETWORK	-47.44%	403.79M
12	IFN	INFIGNE ENERGY	366.67%	-	391	EPW	ERM POWER	-50.07%	245.06M
13	APX	APPEN LTD	357.19%	296.15M	392	CDD	CARNO LTD	-64.22%	275.45M
14	SLR	SILVER LAKE RESOURCES	348.28%	340.00M	393	MSB	MESOBLAST LTD	-71.61%	563.49M
15	BDR	BEADELL RESOURCES	312.50%	548.64M	394	LNG	LIQUEFIED NATURAL GAS	-78.95%	308.73M

* Total returns for 1 year to 10/08/2016

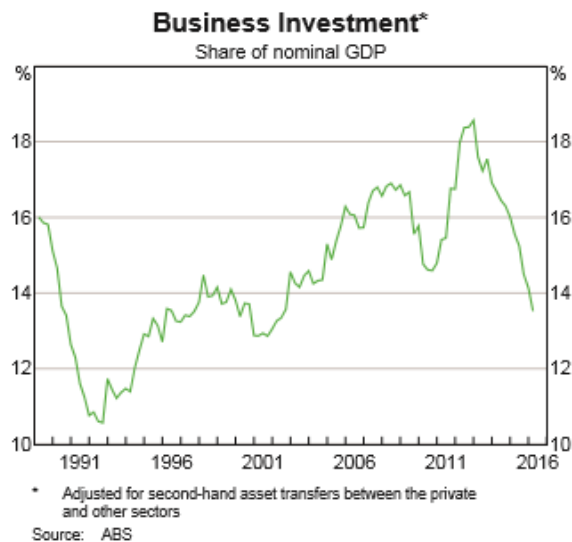
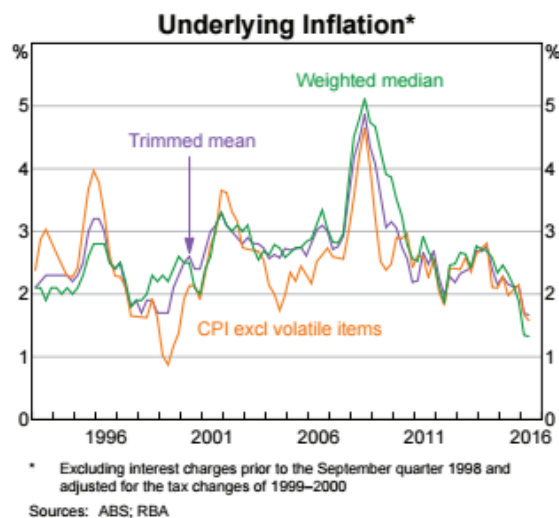
Key Macro Economic Factors:

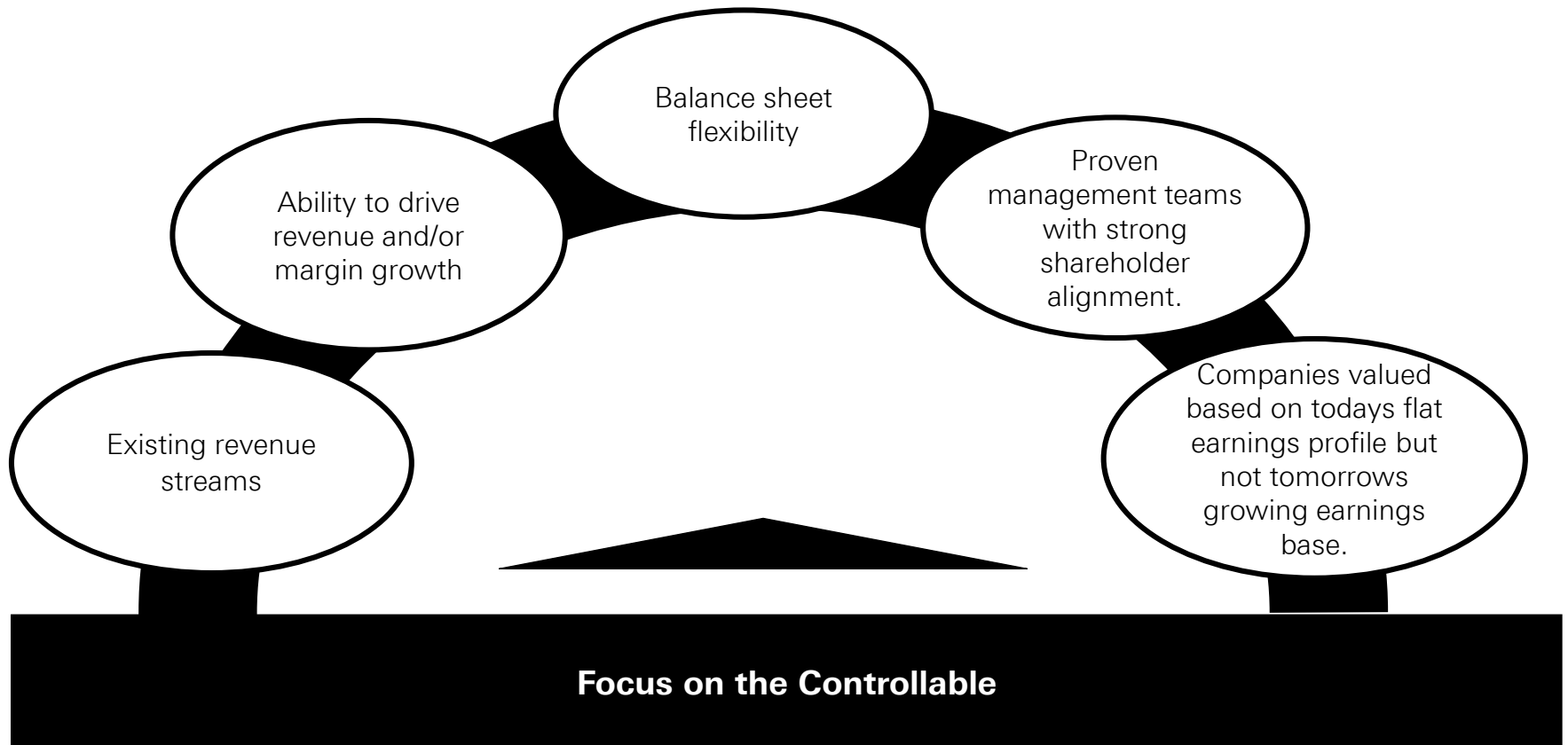
- 10-Year Government Bond Yields continue to fall in expectation of lower interest rates by policy makers.
- Core inflation is moderate even when excluding for deflationary pressures such as energy prices.
- Globally unemployment continues to fall but this is not leading to wage inflation.



Key Domestic Economic Factors:

- Underlying inflation has been low, this can be associated with spare capacity in the labour market contributing to low wage price growth in turn placing pressure on costs and margins.
- Business investment remains soft despite the favourable domestic credit environment.
- Lower paid jobs in the labour market contributing to the slowing growth in wages.





The AIK Story So Far:

- TL Rentals leasing book has grown from ~\$30 million to ~\$85 million over 2.5 years.
- TL Rentals secures funding arrangement with a Tier-1 lender.
- AIK made two acquisitions in the finance broking space making it the largest in the market by a considerable margin.

The Potential for AIK Over the Next 3 Years:

- A sizable part of the \$3 billion that AIK now writes in finance leases has the ability to flow through to the TL Rentals leasing book.
- Consolidation opportunity as the largest operator in the industry.
- Disintermediation potential.
- Comparable companies from a valuation perspective trade at 12x EBITDA.

The MNF Story So Far:

- MNF is Australia's largest provider of wholesale and retail voice over internet (VOIP) services within Australia.
- In 2015 MNF acquired TNZI, a Tier 1 international wholesale voice carrier.
- MNF has been able to grow NPAT by >20% for each of the last 3 years.

The Potential for MNF Over the Next 3 Years:

- Large corporate clients moving from fixed line telecommunications to cloud based is accelerating.
- Digital offerings such as Google Ads, Skype and Facebook still require some form of voice offering and lack the expertise in house.
- Convert current TNZI clients to MNF wholesale services and existing domestic MNF clients to global offerings.

“Over the past three years, the smallest funds (under \$100m) beat those with over \$1bn – returning around 5 per cent annually against 4.6 per cent, according to Preqin. **The gap is particularly pronounced in the year to July, during which the biggest funds fell while the tiddlers gained more than 2 per cent.** There is also evidence that one should stick with the smallest funds in times of market crisis, according to a Cass Business School study.”

Financial Times, 18th August 2016 (LEX Column)



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Appendix

THE NAOS TEAM AND DIRECTORS



Sebastian Evans
Chief Investment Officer/
Managing Director



Richard Preedy
Chief Financial & Operating Officer



Ben Rundle
Portfolio Manager



Julie Coventry
Compliance Officer



Jeffrey Kim
Portfolio Manager



Julia Stanistreet
Business Development Manager



Robert Miller
Portfolio Manager



Chadd Knights
Associate Analyst



Sebastian Evans
Director

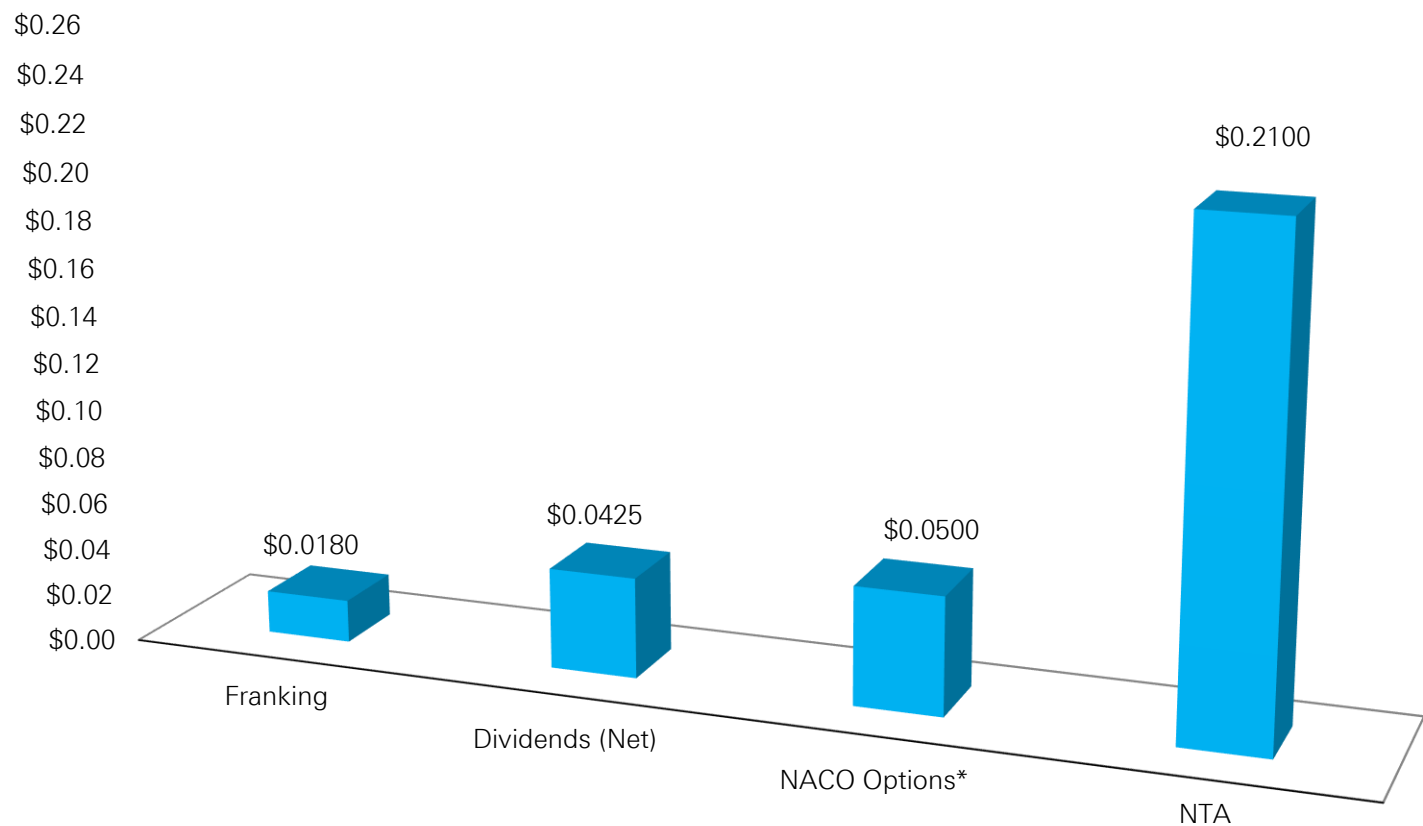


David Rickards
Independent Chairman



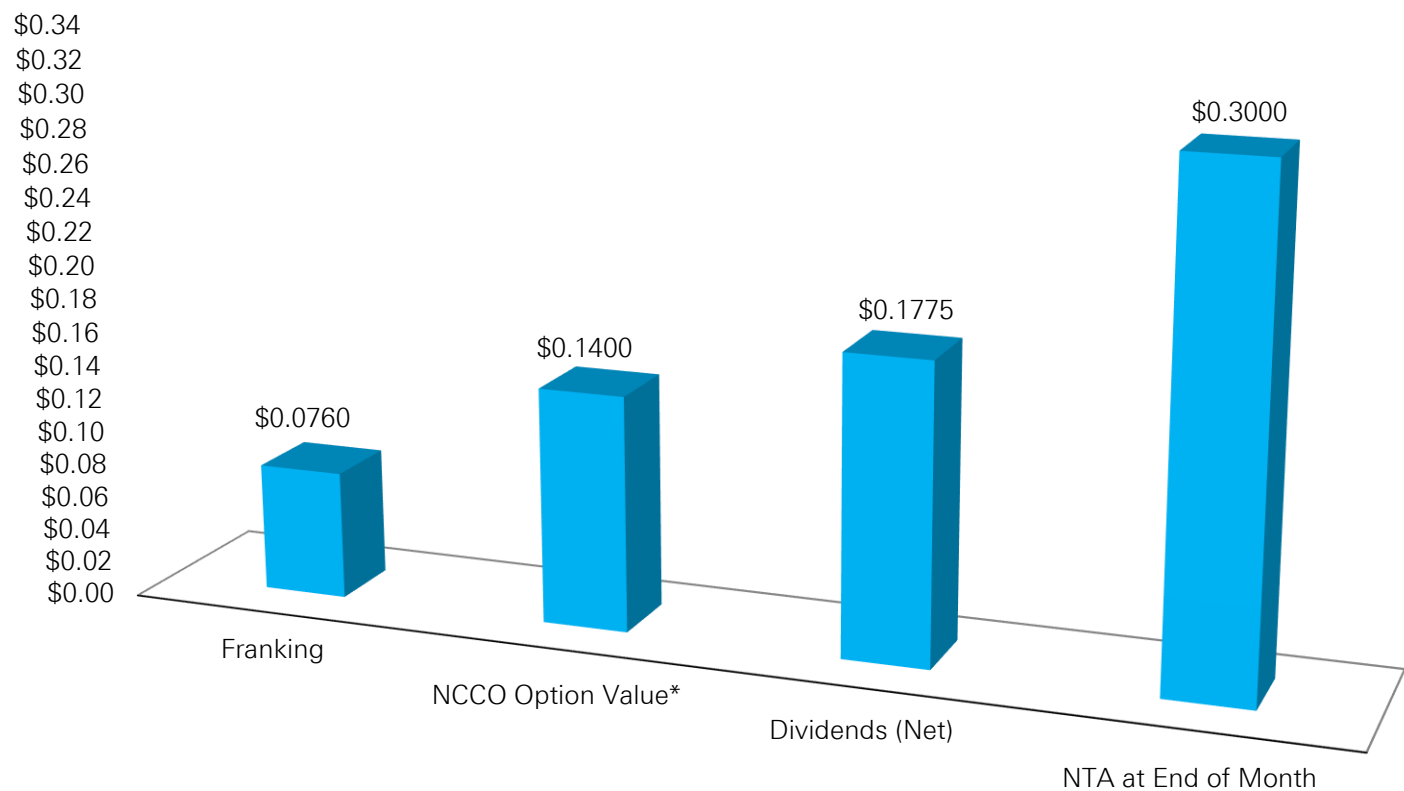
Warwick Evans
Director

TOTAL RETURN:
NAOS ABSOLUTE OPPORTUNITIES COMPANY LIMITED (NAC)



*NACO price based on last traded price as per ASX

TOTAL RETURN:
NAOS EMERGING OPPORTUNITIES COMPANY LIMITED (NCC)



*Intrinsic value of option based on fully diluted NTA at the expiry date of the option.

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